

## **Iowa Department of Revenue Electronic Reporting of W-2s**

### **Frequently Asked Questions – General Filing Requirements**

**Q: Who must file W-2s?**

A: Beginning in 2017 for tax year 2016:

- Withholding agents with 50 or more employees must electronically file W-2 forms with the Department.
- Withholding agents with less than 50 employees may, but are not required to, electronically file W-2 forms with the Department.
- Withholding agents may, but are not required to, electronically file W-2G and 1099 forms with the Department.

Beginning in 2018 for tax year 2017:

- All withholding agents are required to electronically file W-2, W-2G, and 1099 forms with the Department by the last day of January following the tax year.

**Q: If I have 50 or more employees, but only 20 of them are Iowa employees, am I required to file W-2 forms with the Department for tax year 2016?**

A: No. Only employers with 50 or more Iowa employees must file with the Department.

**Q: If I have 50 or more Iowa employees, and also employees in other states, am I required to file W-2 forms only for the Iowa employees or all employees?**

A: Only the W-2 forms for Iowa employees must be filed with the Department.

**Q: What is the due date to file 2016 W-2s?**

A: January 31, 2017.

**Q: Can I request an extension of time to file?**

A: Yes. The Department is in the process of providing a method to request an extension of time to file beyond the January 31, 2017 due date.

**Q: I missed the due date. Should I still submit them?**

A: Yes. You are still required to submit the information even if it is late.

**Q: Do I need to give employees a copy of their W-2?**

A: Yes. You must give a copy to your employees by January 31st each year.

**Q: Does Iowa participate in Combined Reporting?**

A: The Social Security Administration (SSA) offers no Combined Reporting program for reporting W-2 wage statements to both the Social Security Administration and state revenue agencies.

**Q: I already file with the IRS. Will this be adequate?**

A: No. You must file separately with the Iowa Department of Revenue.

**Q: What is a BEN number?**

A: The Business eFile Number (BEN) is a credential that the Iowa Department of Revenue assigns to business taxpayers, service providers, and 3<sup>rd</sup> party transmitters to access Iowa's eFile & Pay application. The BEN is confidential. The Department only gives confidential information to the business owner, responsible party, or a person with power of attorney.

A bulk filer must use its own BEN to log into eFile & Pay, not its client's BEN.

In order to receive a Business eFile Number (BEN) Complete the eFile & Pay Bulk Filer Application linked here <https://tax.iowa.gov/sites/files/idr/documents/78004.pdf> and follow submission instructions on the form.

**Q: What are Iowa's specifications and record formats?**

A: Iowa specifications and record formats are compatible with federal specifications and record formats:

- SSA – Social Security Administration Publication No. 42-007, Specifications for Filing Form W-2 Electronically (EFW2) for Tax Year 2016. Copies of the SSA file may be used for Iowa filing as long as the state information, known as the 'RS' records are included.

**Q: Does Iowa accept other types of files, such as CD-ROMs, cartridges, flash drives, floppy disks, magnetic media, or PDFs?**

A: No.

**Q: Does Iowa accept paper W-2s?**

A: No.

**Q: Should I submit W-2 forms that do not have Iowa withholding?**

A: The payer may include forms that have zero Iowa withholding, but only if the payer has an Iowa withholding permit.

**Q: Do I need to file a Verified Summary of Payments (VSP) report?**

A: If you withheld Iowa income tax, or hold an active Iowa withholding permit number, in addition to filing wage statements and information returns, you must file an annual VSP report.

**Q: When is the 2016 VSP report due?**

A: January 31, 2017. Prior to 2016, the VSP had been due the last day of February following the tax year.

**Q: Is the VSP part of the W-2 upload process or are they handled separately?**

A: The W-2 is a separate upload from the VSP.

**Q: Do I need authorization to upload my file?**

A: Companies registered to file Iowa withholding returns use their existing eFile & Pay credentials to upload wage statements and information returns for their own company.

Payroll Service Providers and Transmitters registered as Bulk Filers with the Iowa Department of Revenue use their own eFile & Pay credentials to upload withholding returns, wage statements, and information returns on behalf of their clients.

**Q: Is a test file required?**

A: No, sending a test file is not required, however it is recommended. Test files may be uploaded through Iowa eFile & Pay in DEMO mode <https://tax.iowa.gov/efile-pay>.

**Q: Is a transmittal letter required with my file?**

A: No. Do not include a transmittal letter.

**Q: How will I know the Department received my file?**

A: For each file Iowa receives, Iowa posts a corresponding results file. If there are issues with your data, the results file will report why your file (or parts of it) was rejected; error messages will be listed accordingly. You will need to correct the errors and resubmit a new file.